

Agenda Item: 11-6B

Meeting Date: August 11 and 12, 2004

CONSIDERATION OF A RESOLUTION APPROVING 2004 PROGRAM PLANS

Description: This report provides information on the program planning process and the Final Draft Program Plans. Draft Program Plans were provided to the Authority as part of the materials for the June meeting. Revised Final Draft Program Plans are included with this staff report.

Recommended Action: Staff recommends that the Authority adopt the attached Resolution 04-08-03 approving the 11 Program Plans, including the staff recommendation for the watershed spending plan contained in this staff report.

Background

The California Bay-Delta Authority Act of 2003 requires the Authority to annually review and approve and potentially modify Program Plans and long-term expenditure plans. The program planning process provides a forum to describe what has been accomplished, strategically plan for future implementation actions, identify problems and propose steps for resolving issues, identify available funding and additional funding needs, and ensure cross-program integration and balance.

Program plans are prepared by the implementing agencies, who are responsible for working cooperatively together to develop a unified plan. Each year Authority staff oversees and coordinates preparation of the Program Plans by the implementing agencies. Comments on the Draft Program Plans are solicited from BDPAC subcommittees, Bay-Delta Public Advisory Committee (BDPAC), the Authority, and the public. BDPAC subcommittees discuss relevant Program Plans and help identify outstanding issues within that element.

All Program Plans must contain the following information:

- Discussion of goals, objectives and targets
- Previous year's accomplishments
- Description of program structure
- Description of major activities including schedule and budget
- Description of how science, environmental justice and tribal relations are incorporated in the program
- Discussion of cross program relationships
- Funding tables: Summary and by task
- Map of program activities

Draft Program Plans were provided to BDPAC, BDPAC subcommittees, the Authority and the public in May 2004.

PROGRAM PLAN ISSUES

At the July BDPAC meeting, the subcommittee co-chairs provided comments on the Program Plans. BDPAC reviewed the program plans in July and recommended as a "State advisory body", due to the absence of a quorum as required by Federal rules, to the Authority that it adopt the Program Plans conditioned on the resolution of the following issues:

The use of Proposition 50 to support water quality actions. The Drinking Water Subcommittee has raised concern regarding the lack of information in the Program Plan on funding targeted towards CALFED Program objectives. The implementing agencies have revised the Program Plan to include information on the total funding potentially available, and acknowledgement that portions of this funding will contribute to the priority actions identified in the Drinking Water Program Plan. The subcommittee will also be working with the implementing agencies to ensure that criteria and priorities for future water quality grant programs reflect the major activities described in the Program Plan.

Revise Storage Program Plan to reflect spending priorities. The implementing agencies have included more specific plans for expending Proposition 50 funds during the first half of Fiscal Year 2004-05 in the Storage Program Plan. This greater specificity represents Department of Water Resources' (DWR) approach to near-term prioritization of limited Proposition 50 funds. DWR expects to revisit these priorities prior to January 1, 2005 as part of its ongoing intensive management of the Surface Storage Investigations.

Performance Measures. Both BDPAC and the Authority have provided direction emphasizing the need for continued development of performance measures which substantively report Program progress. The implementing agencies have included additional information in the Program Plans on the ongoing process for developing and refining performance measures.

Watershed Program Spending Plan. The revised Program Plan clarifies the level of Chapter 7 Proposition 50 funding available for Watershed competitive grants for each of the next three years, but does not define who will be responsible for administering the grant programs or what other funds will be integrated with those programs. The implementing agencies have not yet reached agreement on how the Watershed grant funds will be administered over the next few years. Staff recommends adoption of the Watershed Program Plan with additional direction to the implementing agencies to modify the Watershed Program Plan to define which agency will administer the grant program each year consistent with the staff

recommendation (Attachment 1). Additional meetings between the implementing agencies will occur prior to the Authority meeting in an attempt to reach closure on this issue.

Levees. At the July BDPAC meeting the chairs of the Levee subcommittee expressed concern over the structure and content of the Levee Program Plan in light of the recent levee failure in the Delta on Jones Tract. The implementing agencies have worked with the subcommittee co-chairs to address the concerns raised.

Conclusion

Consistent with the direction from the Authority, staff has been working with the implementing agencies to improve the plans and respond to issues raised by BDPAC and the Authority. Long-term funding remains a critical issue for all of the programs and is being addressed through the development of the 10-Year Finance Plan.

The Authority staff believes that the Program Plans are generally responsive to the criteria and are adequate for purposes of moving forward with implementation next year.

Based on the modifications to the Program Plans by the implementing agencies, staff recommends the Authority adopt the Program Plans including adoption of the watershed spending plan proposed by staff in Attachment 1.

List of Attachments

- [Attachment 1](#) - Watershed Spending Plan - Staff Proposal
- [Attachment 2](#) - Memo from SWRCB to the Authority and DWR
- [Attachment 3](#) - Memo from SWRCB to several agencies including the Authority
- [Attachment 4](#) - Press Release from California Watershed Network
- [Attachment 5](#) - Letter from Ecosystem Restoration Subcommittee
- [Attachment 6](#) - Letter from Water Use Efficiency Subcommittee
- [Attachment 7](#) - Letter from Levees and Habitat Subcommittee
- [Attachment 8](#) - Letter from Environmental Justice Subcommittee
- [Attachment 9](#) - Letter from Drinking Water Subcommittee
- [Attachment 10](#) - Draft Final Program Plans (bound separately)
- [Resolution 04-08-03](#)

Contact

Wendy Halverson Martin
Chief Deputy Director

Phone: (916) 445-5511

Attachment 1
Authority Staff Proposal for Expenditure of Watershed Program Grant Funding

The watershed implementing agencies have met several times to discuss program plan development and watershed program spending since January 2004, including a series of Watershed Subcommittee meetings and monthly meetings of the seven agencies participating in the Interagency Watershed Advisory Team. Through these discussions, the implementing agencies have substantially revised the Watershed Program Plan to more clearly describe the goals, objectives, and priorities of the program in the areas of capacity building, technical assistance, assessment, and monitoring. For the first time, there is general agreement among the agencies and the watershed community on an Implementation Framework for the Program (dated June 22, 2004 included in the Watershed Program Plan, bound separately).

There is not yet agreement, however, on how or when watershed funds should be distributed among the implementing agencies. Consistent with the CALFED Record of Decision and the recommendations of both the Interagency Watershed Advisory Team and the Watershed Workgroup, the current version of the plan calls for an annual competitive grants program. Under this approach, the \$26.7 million remaining in watershed program funds from Chapter 7 of Proposition 50 would be made available in roughly equal amounts (\$8-9 million) in each of the next three years.

The Program Plan also notes that \$19 million of the remaining watershed program funds are budgeted to DWR in FY 2004-05, and another \$7.7 million remains available in unexpended funds from the State Water Resources Control Board's FY 2003-04 grant program. DWR requested the funds in the FY 2004-05 budget because of concerns that the SWRCB would be unable to conduct a watershed grant program in FY 2004-05.

The SWRCB, however, has recently requested that current year watershed funds remain unexpended by DWR and transferred back into the SWRCB budget next year. The SWRCB believes the funds should not be awarded until FY 2005-06 to allow sufficient time for applicants to build off the work and assessments performed in previous years (Attachment 2). The Watershed Subcommittee considered this proposal, but strongly recommended that we maintain an annual program, as provided in the ROD, and that all remaining dollars be administered by DWR because they believe its program and staff are more supportive of the priorities of the watershed program plan. The Bay-Delta Advisory Council forwarded this recommendation to the Authority at its last meeting, and the California Watershed Network subsequently issued an alert to its statewide membership (Attachment 4).

In response to these issues, Authority staff requested schedules from each of the agencies planning to conduct grant programs for watershed-related activities in the next few years. SWRCB Chair Art Baggett later issued a similar request (Attachment 3). DWR reported that it is planning an Urban Streams grant program in FY 2004-05, and the SWRCB reported that it is planning a consolidated Non-point Source and Watershed

grant program in FY 2005-06. Based on this information, Authority staff have recommended that CALFED watershed funds be used to supplement these related grant program funds in each of the next two years. Through this approach, a portion of the \$19 million now in DWR's budget would be allocated together with the Urban Streams grant program in FY 2004-05, and the \$7.7 million remaining in SWRCB's budget would be used to supplement the SWRCB's consolidated grant program in FY 2005-06, together with \$1.8 million in CALFED water quality funds. Allocation of the remaining funds would be decided once the agencies' plans for FY 2006-07 become more clear.

This approach would address our commitment to make funds available annually, increase coordination among related programs, and reduce staffing and other expenses associated with conducting separate grant programs.

Accordingly, Authority staff recommend that the implementing agencies revise the projected expenditures in the watershed program plan to include the following table. As noted in the main staff report, this proposal may be revised prior to the meeting based on further discussions among the agencies and stakeholders.

FY 2004-05	FY 2005-06	FY 2006-07 Potential Grant Programs
Urban Streams Prop 40, \$4.5 M	Urban Stormwater Prop 40 Chap 4 \$14.2 M	319H (US EPA) \$3-5 M
CALFED Watershed Program Prop 50, Chap 7 \$9.0M	Integrated Watershed Program Prop 40 Chap 4 \$47.5 M	CALFED Watershed Program Prop 50, Chap 7 \$9.0M
	NPS Source Control Prop 40 Chap 4 \$33.1 M	Other programs ????
	319H (US EPA) \$3-5 M	
	CALFED Watershed Program Prop 50 Chap 7 \$7.75 M	
	CALFED Drinking Water Program Prop 50 Chap 5 \$1.8M	
Lead Agency- DWR	Lead Agency- SWRCB	Lead Agency- To be determined

Attachment 2

TO: Patrick Wright, Director, California Bay-Delta Authority
Lester Snow, Director, Department of Water Resources

FROM: /s/
Celeste Cantú
Executive Director
EXECUTIVE OFFICE

DATE: July 15, 2004

SUBJECT: COORDINATION AND CONSOLIDATION OF CALIFORNIA BAY-DELTA
AUTHORITY (CALFED) WATERSHED PROGRAM GRANT FUNDS

Now that the budget process appears to be closing with some certainty, we need to reach final agreement on the timing and coordination of both the \$20 million in CALFED Watershed Program funds that CALFED proposed for the FY 2004/05 Department of Water Resources (DWR) budget and that of the \$10.3 million left on the table at the end of the 2003 State Water Resources Control Board (SWRCB) consolidated grant cycle. The SWRCB feels strongly that this remaining money needs to be carefully and thoughtfully planned in order to use this money for the extremely important watershed needs yet before us. As there is currently no agreement on long-term funding for CALFED, nor additional proposed water Propositions that would fund the CALFED Watershed program, it is critical that the remaining funds be put to the highest and best use in order to further the CALFED goals.

The two most recent CALFED Watershed program solicitations have not been able to match suitable projects to the available money. The 2002 solicitation committed only \$7.8 million of the \$10 million available. Most recently, the CALFED Watershed program solicited \$32.1 million of projects as part of the 2003 consolidated grant program. While a large number of proposals were submitted, the interagency and stakeholder review panel did not find enough fundamentally technically or administratively strong enough projects to commit more than 69 percent of the Watershed funds to. The successful projects were just approved at the April 7, 2004, Bay-Delta Authority Meeting and at our June 17, 2004, Board meeting; their grants are being processed over the next several months. None of these projects have had a chance to begin work, much less be able to effectively evaluate performance or initiate a new grant request that would be able to build off of the work done with the 2003 solicitation money. Many of the 2002 projects are similarly in the initial stages of work as well.

Solicitation during FY 2004/05 will competitively disadvantage those who have just received 2002 and 2003 funding, as they will not be able to continue capacity building in a thoughtfully planned way. The most competitive capacity building proposals need to be able to use and build off the information gathering/assessments or work they have just been funded to do. Given the lack of good projects received as a result of the solicitation just a year ago, it is also questionable

whether or not there are enough solid projects that will advance the goals of CALFED. While the 2000 Record of Decision and subsequent program plans laid out a funding plan and schedule, Federal government funding and the budget/hiring restrictions of the State Legislature call for some “adaptive management” in these program funding schedules.

At this point, to move forward with another solicitation of \$20 million dollars for this program, does not appear to be a prudent way to achieve CALFED goals. While it will put monies out to various communities within the solution area, there is not a clear link between the money and solid progress to achievement of CALFED goals. Lack of clear criteria, and evaluation of past performance with agreed upon performance measures to demonstrate the linkage is needed before additional monies are distributed. Without these, the program will not be able to demonstrate the benefits of the substantial public investment.

I believe the program should use FY 2004/05 to invest the time and energy into maturing the program into one that leads to the best use of the remaining dollars. Activities that are needed include an analysis of where watershed programs have been most effective in achieving the CALFED goals, what the most critical remaining CALFED needs are that can be solved through local community watershed programs, and what measures should be used to determine if the dollars have been invested wisely. From this, should come clearer criteria that can be used in a consolidated FY 2005/06 Request for Proposal. A solicitation of this timing would combine both the unused \$10.3 million from the prior CALFED Watershed grant solicitation and other similar grant monies to allow applicants access to multiple fund sources with a single application.

For these reasons, I am asking you both to sign the attached document that formalizes our discussions on proceeding with a consolidated SWRCB RFP in FY 2005/06. This would more efficiently distribute both the \$10.3 million remaining from the 2003 solicitation, the \$20 million proposed for DWR in FY 2004/05, and any other remaining bond funds. Signature to this document will then constitute support for a SWRCB 2005/06 BCP that transfers the local assistance and state operations from DWR’s FY 2004/05 budget to that of the SWRCB in FY 2005/06.

**Statement of Intent for the California Bay-Delta Authority (CALFED)
Watershed Program Grant Solicitation**

The following signatories, Lester Snow, Director of Department of Water Resources, Celeste Cantu, Executive Director of the State Water Resources Control Board and Patrick Wright, Director of the California Bay-Delta Authority declare their intent to jointly support a FY 2005/06 Budget Change Proposal that transfers the responsibility and authority to implement the next \$20 million CALFED Watershed Program grant solicitation through the State Water Resources Control Board as the implementing agency. State operations and local assistance authority provided for the CALFED Watershed Program to the Department of Water Resources for FY 2004/05 will be held in abeyance. Instead, the \$20 million for the CALFED Watershed Program will be consolidated into a more effective and timely SWRCB solicitation for the Watershed Program in FY 2005/06.

Lester Snow, Director
Department of Water Resources

Celeste Cantú, Executive Director
State Water Resources Control Board

Patrick Wright, Director

Attachment 3

TO: Cathy Bleier, Assistant Secretary for Watersheds, Resources Agency
Diana M. Bonta, Director, Department of Health Services
Ryan Broddrick, Director, Department of Fish and Game
Sam Schuchat, Executive Officer, California Coastal Conservancy
Lester Snow, Director, Department of Water Resources
Patrick Wright, Director, California Bay-Delta Authority

FROM: ORIGINAL SIGNED BY:
Arthur G. Baggett, Jr., Chair
EXECUTIVE OFFICE

DATE: July 14, 2004

SUBJECT: COORDINATION OF FUNDING PROGRAMS

Recently, several of us discussed the need to better coordinate our funding programs. We each have a number of programs, both ongoing and competitive funding programs, which interrelate or in many cases contribute to different pieces of similar goals. A few years ago, a bill authored by Assemblywoman Pavley, Assembly Bill (AB) 2534, was passed to force more communication and coordination among agencies funding watershed work. As we all have some role in the broad definition of watershed programs, we are obligated now by law, as well as our public policy responsibilities, to see if we can develop a more efficient and coordinated process to target these funds to the greatest need.

State Water Resources Control Board (SWRCB) staff have been working with the California Watershed Council, established through the Pavley bill, to discuss upcoming SWRCB funding cycles, criteria, and timing, and those grants that we are consolidating/coordinating with other agencies. At the same time, the California Bay-Delta Authority (CALFED) subcommittees have met separately to discuss their individual program solicitations. Other departments and agencies are also working diligently to get the budgeted monies quickly into the California economy. There appears to be a need however, to make sure the agencies overall:

1. Are fully aware of the larger picture of grant/funding purpose, timing, and processes anticipated;
2. Can coordinate solicitation and grant awards closely, if not consolidate, where agencies are soliciting similar projects from similar stakeholder groups;
3. Can jointly consider incentives for multiple and integrated benefits where they can be fairly easily obtained; and
4. Can consider the best timing and sequencing to logically move many of the critical California projects forward.

To do this, I propose that each of us ask staff to prepare some basic background material and to designate a key manager or managers to get together to discuss long range funding schedules. As many of these funding programs are conducted over many years, or are scheduled for rollout

in the next one to three years, we do not need to work with absolutely certain plans, but we should be able to articulate:

1. What funding programs we expect to administer over the next three to four years and the anticipated solicitation or Request for Proposal (RFP)/Proposal Solicitation Package (PSP) mechanism;
2. Who are the eligible applicants;
3. What the purpose of the program is, total amount of dollars involved, and what kinds of projects we expect to fund;
4. When we expect to begin development of the solicitation or RFP/PSP;
5. When the anticipated RFP or PSP or grant announcement is to be released; and
6. When we expect to award funds?

All our agencies have much to do with too little resources, so I am proposing a very streamlined meeting or set of a few meetings to make sure we are being as efficient and effective as we can in our funding processes.

I am willing to have my staff here at the SWRCB coordinate the work for the meeting, all I need from you is the basic information listed above and the identification of a fairly high level manager who can knowledgeably speak to the funding work you anticipate. I will ask Barbara Evoy, Chief, Division of Financial Assistance, to facilitate and coordinate the meeting. Please contact her by August 12, 2004, with the appropriate information from your organization and the name or names of the managers (with phone numbers and email addresses) you will be asking to attend the meeting. She can be reached at (916) 341-5632 or by email at evoyb@swrcb.ca.gov. We will make every attempt to work around vacation schedules.

Knowing how important it is that we be able to present high quality, coordinated and efficient funding processes for the State of California, I hope you will join me in making this a high priority. If you have any questions, please contact Barbara at (916) 341-5632.

cc: Celeste Cantú
Executive Director
State Water Resources Control Board
P. O. Box 100
Sacramento, CA 95812-0100

Attachment 4

NEWS ALERT

July 24, 2004

CONTACTS: Laurel Ames (530) 541-5752 laurel@watershednetwork.org
Michael Wellborn (714) 964-0516 michael@watershednetwork.org

The *California Watershed Network* has posted the following alert on its website at: www.watershednetwork.org

ALERT to CALIFORNIA WATERSHED RESTORATION GROUPS

YOUR BOND FUNDS MAY BE IN JEAPARDY!

Funding for watershed restoration projects is under threat as a result of an attempted change in the budget now under consideration.

Chapter 7 of Proposition 50 specifically targeted \$90 million to the CalFed Watershed Program implementation. The actual contracting for the \$20 million in this budget is allocated to the Department of Water Resources (DWR) in the Resources Agency. The State Water Resources Control Board (SWRCB) has launched a campaign to have these funds moved to their control, although they cannot make it available for at least two years from now. They have also noted in public meetings at the California Watershed Council and the CalFed Watershed Subcommittee that support for capacity building, assessments, and planning are “not a good use of public funds.”

The management of your watershed bond funds (Props 13 and 50) for the past two years by the SWRCB has created many difficulties for watershed groups ranging from inaccurate and/or confusing information for RFPs, unimaginable delays in contracting processes, and an emphasis by the SWRCB on water quality as the prime reason for watershed restoration, rather than the overall health of the “shed” in watershed. This plan by the SWRCB is to release all of the bond funds remaining at one time in one large consolidated grant process, rather than the three-year release plan of the Subcommittee.

The CalFed Watershed Subcommittee sent a strongly worded message to the Bay-Delta Public Advisory Committee (BDPAC), the public advisory board of the CalFed Program. The message was that the mission, objectives, expertise and methods of DWR are a far better match for local watershed objectives than the narrower, regulation-driven mission of the SWRCB. The BDPAC reached quick consensus to recommend to the Bay-Delta Authority that the funds remain with DWR, and that the Workplan put forth from the Subcommittee be adopted as presented.

The CalFed subcommittee statement is unambiguous: Keep our CalFed Watershed money with DWR! Do not let the SWRCB manage it again. We know DWR can manage these programs for the most efficiency and the best results in our watersheds.

In the meantime, the SWRCB is aggressively moving forward to shift your watershed funds to their control. Your CalFed Watershed Subcommittee co-chairs are meeting with the agency leaders on July 30 in an effort to straighten out this mess.

YOU must write or call at least two of the following people and express your opinion about the management of the watershed bond funds before next Friday! Demand that watershed funds be managed by DWR for the benefit of watershed restoration. Point out the strong community support that your group and your projects have. Request that the legislators call the Secretaries for Resources and CalEPA and get watershed restoration back on track!

Please call or e-mail the following:

Governor Schwarzenegger
Phone: 916-445-2841
Email: go to www.govmail.ca.gov to send email message

Secretary Terry Tamminen
CalEPA
Assistant: Marilyn Lluch
Phone: 916-323-2514
Email: tt@calepa.ca.gov

Secretary Mike Chrisman
Resources Agency
Assistant: Cynthia J. Paulsen
Phone: 916-653-5656
Email: mike.chrisman@resources.ca.gov

Lester Snow
Director of Department of Water Resources
Assistant: Debbie De Anda
Phone: 916-653-7007
Email: lsnow@water.ca.gov

Celeste Cantu
State Water Resources Control Board
Assistant: Kathy Rogers
Phone: 916-341-5615
Email: ccantu@swrcb.ca.gov

Patrick Wright
California Bay-Delta Authority
Phone: 916-445-5511
Email: Patrick@calwater.ca.gov

Assemblymember Hannah-Beth Jackson
Natural Resources Committee
Phone 916-319-2035
Email: jeff.arthur@asm.ca.gov

Senator Wes Chesbro
Budget and Fiscal Resources Committee
Phone 916-445-3375
Email: Annette.porini@sen.ca.gov

Senator Mike Machado
Agriculture and Water Resources Committee
Phone 916-445-2407
Email: dennis.oconnor@sen.ca.gov

Senator Sheila Kuehl
Natural Resources and Wildlife Committee
Phone 916-445-1353
Email: william.craven@sen.ca.gov

Assemblymember Fran Pavley
Phone 916-319-2041
Email: adrienne.alvord@asm.ca.gov

Assemblymember Joe Canciamilla
Phone 916-319-2011
Email: kathy.mannion@asm.ca.gov

Assemblymember Lois Wolk
Phone 916-319-2008
Email: susan.treabess@asm.ca.gov

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Attachment 5

California Bay-Delta Public Advisory Committee

Meeting Date: 7-8-04
Agenda Item: 4

Ecosystem Restoration Program Multi-Year Program Plan

Description: The Ecosystem Restoration Subcommittee recommendations for approval of the ERP Multi-Year Program Plan and comments on the subcommittee's role and the program planning process.

Recommended Action: Committee recommend that the Authority approve the ERP Multi-Year Program Plan and consider the subcommittee's comments.

Subcommittee Recommendation: The Ecosystem Restoration Subcommittee recommends the California Bay-Delta Public Advisory Committee recommend that the California Bay-Delta Authority approve the CALFED Bay-Delta Program Ecosystem Restoration Multi-Year Program Plan (Years 5-8). In developing this recommendation, the subcommittee also developed the following comments and recommendations for the committee to consider and forward to the CALFED agencies for their consideration:

1. The Environmental Water Account's asset acquisition and management is being considered by the Water Supply Subcommittee, but its use as an environmental tool is not receiving similar stakeholder review in BDPAC. The Ecosystem Restoration Subcommittee should work with the EWA managers to specifically consider: (a) EWA operation for ecological benefits and (b) coordination with other environmental water management tools.
2. It is critical that reliable and adequate long-term ERP funding sources be identified and secured to avoid adverse impacts on achieving ERP goals and on regulatory and permitting decisions that are conditioned on ERP implementation and adequate ERP funding.
3. The Delta Regional Ecosystem Restoration Implementation Plan (DRERIP) is the only regional planning process currently being implemented. The ERP should identify linkages between the Delta and other regions, and ensure that planning efforts covering other regions are sufficiently underway to ensure that ecological and management linkages are dealt with in an iterative fashion.

4. The joint annual planning exercise of the Ecosystem Restoration Subcommittee and ERP staff should focus more on strategic re-evaluation to guide development of the program plan, proposal solicitations and other documents, and less on reviewing and wordsmithing the documents themselves.

Background

The Ecosystem Restoration Subcommittee devoted portions of the five subcommittee meetings to reviewing and commenting on the aspects of the ERP Multi-Year Program Plan. The plan was substantially similar to the prior year's plan, which had received a similar level of review. Few members of the subcommittee had comments regarding the plan. The few comments regarding the program plan reflect the maturity and success of the ERP, as well as the public involvement embedded in the ERP's planning and implementation.

The current structure and process to develop the Multi-Year Program Plan is time consuming and does not adequately fulfill the subcommittee's charge to provide guidance and advice to BDPAC on issues relating to the ERP and related CALFED activities. The subcommittee hopes to focus more on strategic re-evaluation to guide development of ERP planning documents, and less on reviewing the documents themselves.

In reviewing the plan, the subcommittee identified several comments and recommendations that it would like to pass on the committee for their consideration and to be forwarded to the CALFED agencies for their consideration. These are identified above and include a recommendation addressing the annual planning process.

Attachment 6

Mr. Gary Hunt, Chair
Bay-Delta Public Advisory Committee
650 Capitol Mall, Fifth Floor
Sacramento, California 95814

June 28, 2004

Subject: WUE Program Multi-Year Program Plan

Dear Mr. Hunt:

The members of the Water Use Efficiency Subcommittee of the BDPAC have been presented with the draft Water Use Efficiency Program Multi-Year Program Plan prepared by the CBDA state and federal implementing agencies lead by Department of Water Resources. The Program Plan is consistent with the CALFED ROD objectives and commitments and presents major accomplishments as well as major activities planned for future years. The Program Plan contains previous years funding as well as future projected funding levels. It identifies the roles of the implementing agencies, integrates science and performance measures into the WUE program and coordinates with other program elements.

The WUE Subcommittee recommends approval of the WUE Program Plan.

Sincerely,

David Guy and Frances Spivy-Weber
WUE Subcommittee Co-Chairs

Attachment 7

THOMAS M. ZUCKERMAN
2200 W. Forest Lake Road
Acampo, CA 95220-9238
(209) 745-5537

July 7, 2004

Gary Hunt, Chair
Bay Delta Authority/Bay Delta Public
Advisory Committee
650 Capitol Mall, 5th Floor
Sacramento, CA 95814

RE: BDPAC Meeting on July 8, 2004:
Agenda Item 4: Levee System Integrity Program
Multi-Year Program Plan (Years 5-8)
Agenda Item 5: Delta Improvement Package
Memorandum of Understanding

Dear Gary:

I am writing as Co-Chair of the Levees & Habitat Subcommittee of BDPAC regarding the two agenda items referenced above. The Central Delta Water Agency ("CDWA"), which I serve as co-counsel will be addressing you separately regarding the DIP MOU on other issues.

On June 1, CDWA commented by letter on the first circulated draft of the DIP MOU in part as follows:

" As a Cal Fed Bay Delta Program, it needs to be balanced across the Cal Fed priorities – the levee integrity program is noticeably absent from this plan."

Shortly thereafter the levee protecting Upper and Lower Jones Tracts failed, focusing attention on the broad array of interests and resources that are dependent upon a secure levee system in the Delta. This renewed interest was evidenced at the June 9th meeting of the Bay Delta Authority.

Subsequently, a redrafted DIP MOU was circulated dated June 18, 2004, for the first time making mention of the Delta Levee Program. The BDPAC Levees and Habitat Subcommittee met last Friday (July 2, 2004) and reviewed the revised draft DIP MOU and wishes to make the following comments:

Gary Hunt
July 7, 2004
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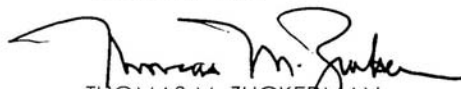
1. The introductory paragraph still does not recognize that Delta Levee System Integrity is one of the four primary objectives of the CAL FED program.
2. The internal reference to Delta Levees (Paragraph V "Delta Levees Actions and Commitments," page 6) is an inadequate response to the Delta Levee System Integrity issue. The various other CAL FED issues addressed in the DIP MOU are intended to make long-term improvements, so the various programs can "get better together." The reference to the current draft of the Multi-Year Program Plan "to provide long-term protection for multiple Delta resources...by maintaining and improving the integrity of the extensive Delta Levees system" is misplaced. The current draft of the Multi-Year Program Plan doesn't come close to achieving these goals since it covers only four years and recognizes that there is insufficient funding available to pursue the longer-range goals of the program. If the Delta Levee System Integrity Program is to "get better together" with the other CAL FED priority programs, a more appropriate reference in the DIP MOU would be to the Draft of the CAL FED Bay-Delta Program 10 Year Funding Targets and Unmet Needs document dated May 21, 2004 which contemplates a program that has enough time and money to make meaningful improvements to the Delta levees. (See copy attached).
3. The June 18 Draft DIP MOU still lacks coherent "linkages" amongst the various program addressed to assure that everybody "gets better together." At a meeting held on Tuesday of this week in the BDA offices on this subject, a suggestion was made that the BDA annually review progress made under the DIP MOU to determine whether balance is being achieved, or whether adjustments need to be made to achieve balance. Subject to the comments which follow, this may be a workable solution.

The Levees and Habitat Subcommittee paid closer attention to the Draft Levee System Integrity Program Multi-Year Program (Years 5-8) at its meeting last Friday. In view of the intended reference in the Draft DIP MOU, which the Subcommittee finds inappropriate for the reasons stated above, the Subcommittee is not recommending approval of the Plan at this time. The Subcommittee intends to review the Program Plan at subsequent meetings to make sure that it properly reflects the needs of the Levee System Integrity Program, taking into proper account the recently gained information resulting

Gary Hunt
July 7, 2004
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from the Jones Tracts flooding. We will also discuss the "linkages" issue at the same time and report our conclusions.

Yours very truly,

A handwritten signature in black ink, appearing to read "Thomas M. Zuckerman".

THOMAS M. ZUCKERMAN,
Co-Chair, Levee and Habitats Subcommittee

cc: Marci Coglianese
Margit Aramburu (for distribution to
(Subcommittee members & staff)
Central Delta Water Agency
North Delta Water Agency
South Delta Water Agency

[illegible]

Program Component / Year	Funding Targets		Fund Sources							Total Available	Unmet Needs
	2002 Dollars	Adjusted for Inflation	State			Federal Approps.	Water User		Local		
			GF	Prop 13	Prop 50		SWP	CVP			
Oversight & Coordination	\$7.0	\$8.6	\$0.0	\$0.0	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	\$8.4
Year 5	\$0.7	\$0.8				\$0.2				\$0.2	\$0.6
Year 6	\$0.7	\$0.8								\$0.0	\$0.8
Year 7	\$0.7	\$0.8								\$0.0	\$0.8
Year 8	\$0.7	\$0.8								\$0.0	\$0.8
Year 9	\$0.7	\$0.8								\$0.0	\$0.8
Year 10	\$0.7	\$0.9								\$0.0	\$0.9
Year 11	\$0.7	\$0.9								\$0.0	\$0.9
Year 12	\$0.7	\$0.9								\$0.0	\$0.9
Year 13	\$0.7	\$0.9								\$0.0	\$0.9
Year 14	\$0.7	\$1.0	\$0.0	\$1.0							
All Other Components (Studies/Research)	\$10.3	\$12.6	\$0.0	\$0.0	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.9	\$11.7
Year 5	\$1.3	\$1.4								\$0.5	\$0.9
Year 6	\$1.0	\$1.1								\$0.4	\$0.7
Year 7	\$1.0	\$1.1								\$0.0	\$1.1
Year 8	\$1.0	\$1.2								\$0.0	\$1.2
Year 9	\$1.0	\$1.2								\$0.0	\$1.2
Year 10	\$1.0	\$1.2								\$0.0	\$1.2
Year 11	\$1.0	\$1.3								\$0.0	\$1.3
Year 12	\$1.0	\$1.3								\$0.0	\$1.3
Year 13	\$1.0	\$1.3								\$0.0	\$1.3
Year 14	\$1.0	\$1.4								\$0.0	\$1.4
Total	\$404.8	\$500.3	\$0.0	\$0.0	\$40.5	\$0.2	\$0.0	\$0.0	\$69.0	\$109.7	\$390.6
Year 5	\$25.0	\$27.1	\$0.0	\$0.0	\$12.0	\$0.2	\$0.0	\$0.0	\$6.9	\$19.1	\$8.0
Year 6	\$42.2	\$47.0	\$0.0	\$0.0	\$15.4	\$0.0	\$0.0	\$0.0	\$6.9	\$22.3	\$24.7
Year 7	\$42.2	\$48.3	\$0.0	\$0.0	\$13.1	\$0.0	\$0.0	\$0.0	\$6.9	\$20.0	\$28.3
Year 8	\$42.2	\$49.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.9	\$6.9	\$42.7
Year 9	\$42.2	\$51.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.9	\$6.9	\$44.1
Subtotal, Years 5-9	\$193.8	\$223.1	\$0.0	\$0.0	\$40.5	\$0.2	\$0.0	\$0.0	\$34.5	\$75.2	\$147.9
Year 10	\$42.2	\$52.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.9	\$6.9	\$45.5
Year 11	\$42.2	\$53.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.9	\$6.9	\$47.0
Year 12	\$42.2	\$55.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.9	\$6.9	\$48.5
Year 13	\$42.2	\$57.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.9	\$6.9	\$50.1
Year 14	\$42.2	\$58.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.9	\$6.9	\$51.7
Subtotal, Years 10-14	\$211.0	\$277.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$34.5	\$34.5	\$242.7

ATTACHMENT 8

July 22, 2004

Mr. Gary Hunt, Chair
California Bay-Delta Authority
California Bay-Delta Advisory Committee
650 Capitol Mall, 5th Floor
Sacramento, CA 95814

Dear Chairman Hunt,

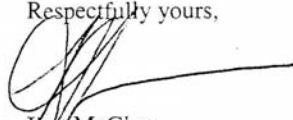
We write this letter to you, the members of the California Bay Delta Authority, and the California Bay Delta Public Advisory Committee (BDPAC) in order to express our support for the CALFED Multi-year Program Plans (years 5-8). The Environmental Justice (EJ) subcommittee has reviewed the plans and offered comments to each plan. While not every comment was accepted, and there still remains much work to be done to fully integrate EJ across all program elements, we are pleased to note that there has been greater attention given to EJ this year than in the past. Of particular note is the fact that this year's program plan template includes a special heading for EJ (Integration with Science, Environmental Justice and Tribal Relations). The deliberative process for this year's Program Plans was also a more iterative and collaborative process than in previous years. The involvement with each subcommittee, the BDPAC and the Authority in this process produces a more durable outcome – and better Program Plans.

The Environmental Justice subcommittee is interested in each program element to make sure that EJ is fully embedded in their plans, processes and projects. Of particular concern however are certain programs that have a more direct impact on historically underserved and environmentally overburdened communities. Many, though not all, of these communities are low income, minority or tribal communities. We note that the issues in the Drinking Water and Water Transfers programs have a direct bearing on these communities and the integration of EJ in these programs is of the utmost importance. We feel that greater attention must be paid to the EJ concerns in both of these programs. The Levees program is another one that has strong EJ implications and should redouble their efforts to make meaningful integration of EJ a higher priority, particularly in light of recent events and concerns about displaced farm workers and potential socio-economic impacts from levee failures. In many respects the Watershed Management and Water Use Efficiency programs have been exemplary models of EJ integration in both their program planning and implementation of projects that merit replication by other CALFED program elements. In short, many good actions have occurred, yet more is still required.

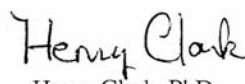
We look forward to working closely with each BDPAC subcommittee and CALFED Program element to strengthen EJ integration in next year's plans. We are pleased with the incremental progress shown this year, but do not want to declare that the all important Record of Decision (ROD) task for EJ, integration across all program elements, has been

achieved. We are committed to work through the EJ subcommittee, its stakeholders, and the Oversight & Coordination Program Element to ensure meaningful integration occurs.

Respectfully yours,



Ken McGhee
Environmental Justice Coordinator
CBDA



Henry Clark, PhD.
Interim Acting Co-Chair
Environmental Justice Subcommittee - CBDA

ATTACHMENT 9

M e m o r a n d u m

Date: July 7, 2004

To: California Bay-Delta Public Advisory Committee

From: Greg Gartrell and Marguerite Young, Co-Chairs
Drinking Water Subcommittee

Subject: Subcommittee Recommendation – Action: Adopt the Subcommittee recommendation on Adoption of the Drinking Water Quality Program Multi-Year Program Plan

Summary

The Drinking Water Subcommittee (DWS) is providing a recommendation on the adoption of the Drinking Water Quality Program Multi-Year Program Plan. The DWS has discussed the Program Plan in two public meetings and has developed a recommendation to adopt the Program Plan, provided the modifications suggested below are included. The existing draft Program Plan does not yet include the modifications.

Recommended Action:

The Drinking Water Subcommittee of the Bay Delta Public Advisory Committee recommends that the Bay Delta Public Advisory Committee recommend the adoption of the Multi-Year Program Plan provided the Program Plan is amended to include a program budget which reflects implementation of the Major Activities identified in the Plan and it adequately identifies the funding that is available to implement the Plan.

Background

The subcommittee heard a presentation on the Multi-Year Program Plan at its April 23 meeting. Stakeholders and a subcommittee co-chair met with implementing agencies in May to discuss the future of the Drinking Water Quality Program, specifically the responsibilities of the implementing agencies and the future funding of the Program. As a result of this meeting, the implementing agencies have revised the program plan to better reflect the key elements necessary for attaining the “Equivalent Level of Public Health Protection”, the Delta Improvements Package water quality components and the potential funding sources for the program. At the Subcommittee’s June 2 meeting, the program plan was presented without the potential funding sources and without a budget reflecting implementation of the major activities within the Program Plan. The DWS spent considerable time discussing the need to identify both the cost of the program and the estimated funding available to meet those costs. The DWS agreed that once these elements were included, and other minor changes were made, the DWS would be able to recommend the Plan to the BDPAC for its recommendation to the BDA.

Program Plan

The Record of Decision set forth a goal of 50 µg/l bromide and 3 mg/l total organic carbon, or the equivalent level of public health protection using a cost-effective combination of alternative source waters, source control and treatment technology. The Drinking Water Subcommittee has played a fundamental role in further defining this goal of the Program, known as the “Equivalent Level of Public Health Protection” or ELPH. As the Program Plan lays out the major activities and funding priorities of the Drinking Water Quality Program, the Drinking Water Subcommittee finds that it must integrate the concept of an ELPH solution, which encompasses broad based solutions in source water quality improvement, water management for water quality, and demonstration of treatment technologies. This ELPH concept is a further development of the Record of Decision goals, and the milestones and spending targets must be revised accordingly.

Specifically, it is now appropriate for the Program Plan to focus on Regional Planning, Delta water quality improvement activities, source management and improvement, Regulatory and Policy changes, and on the water quality elements of the Delta Improvements Package. The subcommittee specifically requested that this Program Plan identify the resource needs of a full Program (as opposed to a resource-limited one), identify the resources potentially available, identify how improvements in water quality will be measured and report on the progress of the program to date, in terms of water quality improvement. At its June 2 meeting, the DWS also recognized that the Multi-Year Program Plan must eventually be reconciled with the Strategic Plan that is now under development.

The Program Plan, as presented on June 2, incorporates the majority of these requests, with the exception of 1) a Program budget which reflects the full implementation of the Program as described in the Program Plan (and specifically the list of Major Activities) and 2) the funding the implementing agencies believe may be available to fund those activities. The Draft Program Plan of June 2004 provided to the BDPAC includes a “Stakeholder Estimate of Total Program Needs” that provides an estimated budget. The Program Plan does include a good description of the Major Activities that correspond to the broad based solutions of source water quality improvement, water management for water quality, and demonstration of treatment technologies, and includes the projects of importance in the DIP (the DIP water quality projects include source water quality improvement and water management for water quality).

The DWS agreed that if a budget for a full program and an indication of the funding available to support those activities were added, the co-chairs could recommend that the Program Plan be adopted. The Program Plan continues to lack an indication of the funding available.

Requested Action

The Drinking Water Subcommittee of the Bay Delta Public Advisory Committee requests that the Bay Delta Public Advisory Committee recommend adoption of the Drinking Water Quality Program Multi-Year Program Plan only if it includes a budget and identification of funding.

MY/GG:ps

Sincerely,



Greg Gartrell
Co-Chair



Marguerite Young
Co-Chair

Agenda Item: 11-6B

Meeting Dates: August 11 and 12, 2004

Attachment 10
DRAFT PROGRAM PLANS
(Bound Separately)

All draft CALFED Program Plans, as listed below, will be available at the meeting and on the Authority's website at www.calwater.ca.gov.

1. Ecosystem Restoration
2. Watershed
3. Environmental Water Account
4. Storage
5. Conveyance
6. Water Transfers
7. Water Use Efficiency
8. Levees
9. Drinking Water Quality
10. Science
11. Oversight and Coordination



650 Capitol Mall, 5th Floor
Sacramento, CA 95814
916.445.5511 FAX 916.445.7297
<http://calwater.ca.gov>

**CALIFORNIA BAY-DELTA AUTHORITY
RESOLUTION 04-08-03**

APPROVING PROGRAM PLANS

WHEREAS, Section 79423 of the California Water Code requires the implementing agencies to annually submit to the Director their annual program plan;

WHEREAS, Section 79423 (i) of the California Water Code requires the Authority to review and approve, and, as appropriate, authorizes it to recommend that implementing agencies modify, multi-year program plans and long-term expenditure plans on behalf of Category A programs;

WHEREAS, the plans prepared by the Authority and the implementing agencies include both multi-year and annual Program Plans and expenditure plans; and

WHEREAS, the plans submitted to the Authority are consistent with the mandate of the California Bay-Delta Act of 2003, criteria for approval, and address both annual and multi-year Program Plans and expenditure plans,

NOW, THEREFORE, BE IT RESOLVED that the Authority approve the 11 program plans presented.

CERTIFICATION

The undersigned Assistant to the California Bay-Delta Authority does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the California Bay-Delta Authority held on August 11 and 12, 2004.

Dated: _____

Heidi Rooks
Assistant to the California Bay-Delta Authority